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PIPER EXTENDS SHUTDOWN TWO MONTHS, REPORTS $11.8 MILLION QUARTER LOSS

Piper Aircraft Corp., faced with cash flow problems and record losses, said it is extending a previously announced shutdown and laying off another 1,000 employes. The company announced in May that it was stopping production of most 1983 models at Piper facilities in Vero Beach and Lakeland, Fla. for the months of June and July and laying off about half of its 3,400 employes *(BA, May 16/153).*

In its latest announcement, Piper said it will continue curtailments of aircraft production during August and September at the two Florida plants, plus its facilities in Lock Haven, Pa. The announcement said the extension of the shutdown is required "to keep current year inventories in line with current demand." Piper expects to lay off approximately 1,000 of the 2,200 employes currently on the job.

Bangor Punta Corp., Piper's parent company, last week reported a net loss of $2.18 million for the first nine months of 1983 *(see story on Page 34).* Piper had a segment loss of $11.8 million in the third quarter and $25.1 million for the nine months. David Wallace, Bangor Punta chairman and president, said Piper's production curtailment, "which is required to keep current-year inventories in line with present demand, will not allow Piper to improve fourth quarter operating results when compared to the third quarter."

The only product lines not affected will be the certification and production of the new single-engine Malibu and the Cheyenne IV turboprop. The company said it also will continue all sales, product support and technical service programs and its ongoing development program for the Enforcer military aircraft. A company official said the new twin-engine Mojave, which was recently certificated, also will be included in the shutdown. However, he said that some 15 Mojaves currently on the production line will be completed during August. Piper said it has orders for additional Mojaves, but said additional production is constrained by engine deliveries from Avco Lycoming *(see related story on Page 34).*

President Max E. Bleck said the additional curtailment period "will ensure that inventories are kept in line with current market conditions. We remain convinced of the strong future for our industry and for Piper in particular . . . " Bleck said the shutdown would "preserve a positive cash flow for Piper and allow Piper's 1984 models to be stronger elements of the recovery in the general aviation industry, expected later this year." Another Piper official said the company is basically terminating production of all 1983 products and will be building 1984 model aircraft when it starts up again.

KASSEBAUM INTRODUCES BILL TO PROMOTE U.S. AVIATION PRODUCTS ABROAD

Sen. Nancy Kassebaum (R-Kan.) last week introduced a bill to allow the Federal Aviation Administration to help coordinate and promote sales of U.S. aviation products to foreign purchasers. Legislation, entitled "U.S. International Aviation Support Act of 1983," would provide the Secretary of Transportation with authority "to expand existing programs and create new ones which entail cooperative efforts between FAA and the U.S. firms seeking markets abroad," Kassebaum said.

Kassebaum, chairman of the Senate aviation subcommittee, said the bill would provide the DOT Secretary with additional authority to meet the continuing demand for FAA technical assistance, "thereby insuring that the FAA's worldwide preeminence is maintained." The bill would "entail minimal new costs to the government" because the international aviation programs would be funded by its beneficiaries, she said.

(Continued on the following page)

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STATUS OF AIRPORT AND AIRWAY TRUST FUND
May 31, 1983

		Current Month	Fiscal Year to Date
I.	BALANCE - BEGINNING OF PERIOD	$ 4,750,018,112.26	$ 3,881,478,472.29
II.	RECEIPTS:		
A.	Excise Taxes (Transferred from General Fund):		
	1. Any liquid fuel other than gasoline	2,744,257.00	46,229,995.00
	2. Tires used on aircraft	68,000.00	625,000.00
	3. Tubes used on aircraft	8,000.00	75,000.00
	4. Gasoline:		
	a. Commercial 9 cents tax	200,000.00	990,000.00
	b. Non-commercial 9 cents tax	1,203,851.00	8,993,851.00
	c. Non-commercial 5 cents tax	422,702.00	14,925,154.00
	5. Transportation by air, seats, berths, etc.	139,923,411.00	1,219,263,411.00
	6. Use of international travel facilities	(90,025,855.00)	(51,568,209.00)
	7. Transportation of property and cargo	10,820,557.00	64,557,976.00
	8. Use of civil aircraft	-0-	-0-
	Total Tax Receipts	65,364,923.00	1,304,092,178.00
B.	Less Reimbursement to General Fund-Refund of Taxes and Estimated Tax Credits:		
	1. Commercial avaiation gasoline	-0-	-0-
	2. Non-commercial gasoline	-0-	-0-
	3. Civil aircraft	50,433.00	127,942.00
	4. Any liquid fuel other than gasoline	111,652.00	112,264.00
	5. Gasoline - Retailer's tax	88.00	270.00
	6. Airline Ticket Refund	-0-	-0-
	7. Gasoline - Manufacturers Tax	-0-	-0-
	Total Reimbursement for Tax Refunds	162,173.00	240,476.00
	Net Tax Receipts	65,202,750.00	1,303,851,702.00
C.	Federal Payments	-0-	-0-
D.	Transfers from the General Fund	-0-	-0-
E.	Interest on Investments	588,741.28 1/	242,324,577.33
	Net Receipts	65,791,491.28	1,546,176,279.33
III.	EXPENDITURES:		
A.	Federal Aviation Administration:		
	1. Operations	55,999,270.16	275,994,611.37
	2. Grants-in-Aid for Airports	20,035,169.43	229,720,743.35
	3. Facilities and Equipment	16,746,037.83	159,160,911.10
	4. Research, Engineering and Development	3,360,776.23	43,097,045.91
B.	Aviation Advisory Commission-Salaries & Expense	-0-	-0-
C.	Interest on Refunds of Taxes	6,825.00	19,915.00
	Total Expenditures	96,148,078.65	707,993,226.73
IV.	BALANCE-END OF PERIOD	4,719,661,524.89	4,719,661,524.89

STATEMENT OF FINANCIAL CONDITION

ASSETS:		
Undisbursed Balances:		
Airport and Airway Trust Fund (20X8103)	$ (138.97) 1/	
Operations	7,248.55	
Grants-in-Aid for Airports	19,418,101.21	
Facilities and Equipment	9,193,362.34	
Research, Engineering and Development	5,920,951.76	
Aviation Advisory Commission-Salaries and Expenses	-0-	$ 34,539,524.89
INVESTMENTS:		
U.S. TREASURY CERTIFICATES OF INDEBTEDNESS:		
10-7/8% maturing June 30, 1983	94,641,000.00	
11-7/8% maturing June 30, 1983	256,102,000.00	
11-1/4% maturing June 30, 1983	116,609,000.00	
11-1/2% maturing June 30, 1983	368,134,000.00	
11-3/4% maturing June 30, 1983	89,426,000.00	
12-3/8% maturing June 30, 1983	3,757,710,000.00	
12-7/8% maturing June 30, 1983	2,500,000.00	4,685,122,000.00 1/
Total Assets		4,719,661,524.89
LIABILITIES:		-0-
EQUITY:		
Excess Assets over Liabilities		$ 4,719,661,524.89
Total Liabilities and Equity		4,719,661,524.89

1/ Does not agree with TFS 6653 and MSPD due to processing error

Department of Treasury Chart